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Report Highlights:

Chairman of the PM's Economic Advisory Council says Government can import food items to contain prices, *Prime Minister forms a high level group of Ministers to tackle drought and food security*, *Proposed National Food Security Bill is delayed due to ongoing drought concerns*, *ICAR body to study socio economic impact of GM Bt brinjal*, *Indian retail sector finds ways to cooperate in face of economic downturn*, *Apple prices to stay high until October*, *Solar power plan likely to be introduced this year*, *India demands forestry credit for CNG emissions in discussions on climate change*.

General Information:

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

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CHAIRMAN OF THE PM'S ECONOMIC ADVISORY COUNCIL SAYS GOVERNMENT CAN IMPORT FOOD ITEMS TO CONTAIN PRICES

Expressing concerns over the alarming rainfall situation in the farm sector, the newly-appointed Chairman of the Prime Minister's Economic Advisory Council (PMEAC), C. Rangarajan, said that tackling the drought situation is one of the key areas of concerns of the PMEAC. "Though the impact of the deficient rains on the overall economic growth may not be much, it could potentially trigger distress among the large farming community," he said. As a measure to contain rising prices of essential commodities, the government could resort to importing food items, he argued. Citing the skyrocketing prices of pulses he said the availability of food items concerns not only the poorest among the poor, but is equally affecting the low and middle income groups.

(SOURCE: Asian Age, 08/13/09)

PRIME MINISTER FORMS A HIGH LEVEL GROUP OF MINISTERS TO TACKLE DROUGHT AND FOOD SECURITY

Prime Minister Manmohan Singh has formed a high Group of Ministers (GoM) on drought and food security. Headed by Finance Minister Mukherjee, the GoM will address the situation arising out of the deficient rainfall. The GoM will review and monitor the drought situation and food prices on a daily basis. The GoM is empowered to take quick decisions to ensure that "nobody should go hungry," as the Prime Minister declared at the conference of the state Chief Secretaries on agriculture and food on August 8. The GoM will also ensure the timely availability of seeds, fertilizer, electricity, and diesel to farmers, so that the standing crop is salvaged and farmers can prepare for advanced sowing of winter crops. (SOURCE: Hindu, 08/13/09)

PROPOSED NATIONAL FOOD SECURITY BILL IS DELAYED DUE TO ONGOING DROUGHT CONCERNS

With the country's northern and eastern regions facing the specter of a drought, the Manmohan Singh government's ambitious plans of providing food security to all has taken a hit. The proposed National Food Security Bill, which was included in the government's 100-day road map, has been put on the backburner. Government officials confirmed that the bill, which was being drafted by the Agriculture Ministry, has been put on hold, given the fact that the country is experiencing a deficient rainfall, which has affected kharif crop plantings.

(SOURCE: Economic Times, 08/12/09)

ICAR BODY TO STUDY SOCIO ECONOMIC IMPACT OF GM BT BRINJAL

The government's move to commercially launch the first Genetically Modified (GM) food crop Brinjal (egg plant) will have to wait for a few more months. The Genetic Engineering Approval Committee (GEAC) has now asked the National Centre for Agricultural Economics and Policy Research (NCAP), an Indian Council of Agricultural Research affiliate institute, to conduct an exhaustive socio-economic impact assessment. Bt brinjal has been embroiled in many controversies during the last three years over its possible health related impact. Therefore, GEAC wanted to rule out any adverse impact of Bt brinjal prior to giving approval for commercial cultivation. The NCAP has already identified 40 locations in several states for carrying the socio-economic impact assessment. The study would cover factors such as benefits to farmers, production yield, and use of pesticides.

(SOURCE: The Financial Express, 08/13/09)

INDIAN RETAIL SECTOR FINDS WAYS TO COOPERATE IN FACE OF ECONOMIC DOWNTURN

Competition in India's organized retail industry seems to have given way to cooperation, with top players coming together to cut operational costs and improve margins. The retailers have formed a rainbow coalition that will align sourcing operations and share private labels, logistics, warehouses, and hiring details on a transaction payment basis. Retailers are hoping to improve their operating margins by 2-3 percent by sharing back-end resources. Most players in the organized retail industry are affected by the economic downturn. Grocery formats have recorded huge losses, forcing retailers such as Reliance Fresh, Birla's More, India Bulls, and Spencer's to shut down outlets and halt expansion. The idea of forming a coalition was to improve margins by collaborating at the back-end, which primarily includes warehousing and logistics, so that retailers can focus on the front-end and meet consumer demand.

(SOURCE: The Economic Times, 08/10/09)

APPLE PRICES TO STAY HIGH UNTIL OCTOBER

Apple prices are not expected to soften after August, as production in 'Himachal Pradesh' one of the major apple producing has declined. Apple prices typically start declining from August after the arrival of new crop from Himachal Pradesh. However, this year the rates are expected to remain high until October when supply from Jammu & Kashmir, another major state, will commence. Apple production this year is likely to decline to 250,000 tons from 594,000 tons last year. The new crop from Himachal Pradesh is selling at a higher than normal price of Rs. 70-90 (\$1.5 to \$1.9) per kilogram in the wholesale market at Delhi.

(SOURCE: The Financial Express, 08/11/09)

SOLAR POWER PLAN LIKELY TO BE INTRODUCED THIS YEAR

The Government of India is likely to roll out a plan to add 20 gigawatt (20,000 megawatts) solar based power generation capacity. This was announced by the Secretary, Ministry of Renewable Energy, Mr. Deepak Gupta after inaugurating the Third India Renewable Energy Expo in Delhi on August 10. India will host International Renewable Energy Conference (DIREC-2010) during October 27-29, 2010 at New Delhi. The Delhi Conference is the fourth in the series and is a part of the initiative taken at the 2002 World Summit on Sustainable Development in Johannesburg. The main theme of the DIREC-2010 is: "Up scaling and Mainstreaming Renewables for Energy Security and Climate Change".

(SOURCE: Business Line, 08/11/09)

INDIA DEMANDS FORESTRY CREDIT FOR CNG EMISSIONS IN DISCUSSIONS ON CLIMATE CHANGE

India's case for compensation and incentives for forestry as part of the climate change negotiations just got stronger. An analysis of India's forest cover of 65 million hectares revealed that it neutralizes 11.25 percent of the country's green house emissions every year.

The study has been released as representatives of nearly 190 nations meet in Bonn in a fresh attempt to negotiate a successor treaty to the Kyoto Protocol on climate change. India has been actively participating in the discussion of forestry that is taking place under the Bali Action Plan and the United Nations Framework Convention on Climate Change. India has maintained that there is need for an agreement on a comprehensive framework for compensation and incentives on forestry as part of the ongoing negotiations of climate change.

(SOURCE: The Economic Times, 08/11/09)

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